

Article - Business Regulation

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§5–702.

(a) This subtitle does not apply to:

(1) the sale of burial space;

(2) a preneed contract made by an individual in connection with practicing funeral direction or practicing mortuary science, as those practices are defined in and regulated by the Health Occupations Article; or

(3) the preneed sale of burial goods or services by a private family cemetery that does not conduct public sales of burial goods or services.

(b) This subtitle does not allow a person, directly or indirectly, through an agent or otherwise, to practice funeral direction or practice mortuary science, unless the person is licensed to practice funeral direction or practice mortuary science under the Health Occupations Article.

(c) A preneed burial contract made under this subtitle is not an insurance contract and does not involve the business of insurance.

(d) This subtitle does not require a cemetery to accept goods, perform services, or allow services to be performed if the goods or services are contrary to:

(1) the law concerning burial; or

(2) the rules of the cemetery concerning the quality and kind of goods or services that may be used in connection with burial in the cemetery.

(e) (1) A preneed burial contract made in accordance with § 5-704 of this subtitle may be funded by a life insurance policy or an annuity contract if:

(i) the owner or operator of the cemetery is not the owner of or beneficiary under the life insurance policy or annuity contract;

(ii) an assignment of benefits to the owner or operator of the cemetery may be revoked at any time by the owner of the life insurance policy or annuity contract;

(iii) subject to item (iv) of this paragraph, the owner or operator of the cemetery agrees to accept the benefits payable under the life insurance policy or annuity contract as payment in full for the services and merchandise agreed on in the preneed burial contract; and

(iv) any benefits payable under the life insurance policy or annuity contract in excess of the amount necessary to pay the total price, as determined at the time of death of the insured, of the services and merchandise agreed on in the preneed burial contract are paid to the beneficiary under the life insurance policy or annuity contract.

(2) A preneed burial contract that is funded by a life insurance policy or an annuity contract shall terminate if the assignment of benefits to the owner or operator of a cemetery is revoked by the owner of the life insurance policy or annuity contract.

(3) (i) The offer, sale, or assignment of a life insurance policy or annuity contract to fund a preneed burial contract is not subject to this subtitle.

(ii) A preneed burial contract funded by a life insurance policy or an annuity contract is not subject to § 5-705, § 5-706, § 5-707, § 5-708, or § 5-709 of this subtitle.

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